

R865. Tax Commission, Auditing.

R865-19S. Sales and Use Tax.

R865-19S-94. Tips, Gratuities, and Cover Charges Pursuant to Utah Code Ann.

Section 59-12-103.

(1) Restaurants, cafes, clubs, private clubs, and similar businesses must collect sales tax on tips or gratuities included on a patron's bill that are required to be paid.

(a) Tax on the required gratuity is due from a private club, even though the club is not open to the public.

(b) Voluntary tips left on the table or added to a credit card charge slip are not subject to sales tax.

(2) Cover charges to enter a restaurant, tavern, club or similar facility are taxable as an admission to a place of recreation, amusement or entertainment.

KEY: charities, tax exemptions, religious activities, sales tax

Effective: 8/18/2008